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Rory M. Christian, Chair

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PSC Launches Review of Cornerstone Clean Energy Programs

Review Will Assess Performance to Date and Provide Direction for Future Clean Energy Efforts to Align with the CLCPA

ALBANY — The New York State Public Service Commission (Commission) today initiated its review of several of its landmark clean energy programs, including utilities' efforts under New Efficiency: New York (NENY) and the New York State Energy Research and Development Authority's (NYSERDA) Clean Energy Fund (CEF). Combined, these portfolios represent nearly \$10 billion in customer funding for long-term, far-reaching energy efficiency and building electrification strategies designed to drive meaningful market-enabling development of workforce, supply chain, and consumer demand.

"Energy efficiency has been a go-to resource and we need to continue to aggressively pursue this solution," **said Commission Chair Rory M. Christian.** "New York's commitment to protecting and enhancing our environment has been steadfast. As we look ahead to the level of ambition that CLCPA lays out for us, we need to assess all of our efforts to ensure funds are being directed strategically to advance our goals while ensuring services are provided to disadvantaged communities and low-income consumers."

The Commission previously committed to conduct a formal interim review of NENY to commence in 2022. Given the close relationship between NENY and the energy efficiency and building electrification aspects of the CEF, the Commission determined it would be appropriate to review the NENY and relevant CEF programs concurrently. The Commission noted that the significant acceleration in energy efficiency and building electrification activities and the necessary evolution of the programs required to meet the NENY and related CEF targets and, more broadly, support New York's clean energy goals under the Climate Leadership and Community Protection Act (CLCPA), including its commitment to supporting disadvantaged communities, would require the Commission to closely examine the utilities' and NYSERDA's progress and readjust and potentially extend the targets and budgets beyond 2025. Specifically, the Commission indicated that the interim review would assess all meaningful aspects of the portfolios' design and administration, useful innovation, and governance oversight, as well as adjustments to targets and budgets.

The first stage of the Commission's reviews will focus on the energy efficiency and building electrification programs, including efforts targeting low-to moderate-income (LMI) customers and assess the State's progress toward the NENY and CEF energy efficiency and building electrification targets and alignment with the CLCPA and other, related New York State clean-energy policy directives. Today, the Commission directed Department of Public Service staff to file a public report that summarizes the energy efficiency and building electrification performance to date and sets forth a

series of questions to solicit input from parties as to the evolution necessary for these portfolios. The staff report and resulting public feedback will be considered as a component of this first stage of review.

The Commission's review of these portfolios is crucial as energy efficiency and building electrification programs play a key role in the achievement of New York State's clean energy goals. The deployment of energy efficient resources reduces or eliminates electric and natural gas consumption, avoiding the harmful pollution associated with electricity generation and natural gas distribution. The emission of carbon dioxide and other pollutants can also be reduced through electrification, with efficient electric heat pumps or ground source heat pumps displacing the use of fossil fuel equipment, delivering even greater environmental benefits as the State's electric generation becomes cleaner. Energy efficiency and electrification can also offer cost reductions to the customers that install them and, in particular, can improve affordability for LMI customers. During this review, the Commission will evolve the LMI-focused programs to ensure alignment with the CLCPA's stated goals for activities in disadvantaged communities. Importantly, the reviews will also consider whether federal funding is available for any of the programs, and will consider any adjustment necessary to maximize the amount of federal funds obtained for New York.

Subsequent stages of the review will address NYSERDA's Innovation & Research and New York Green Bank Portfolios. These subsequent reviews will begin following NYSERDA filings, due no later than July 1, 2024, that provide performance summaries and specific requests for Commission consideration.

New York State's Nation-Leading Climate Plan

New York State's nation-leading climate agenda is the most aggressive climate and clean energy initiative in the nation, calling for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy even as New York State recovers from the COVID-19 pandemic. Enacted into law through the Climate Leadership and Community Protection Act (Climate Act), New York is on a path to achieve its mandated goal of a zero-emission electricity sector by 2040, including 70 percent renewable energy generation by 2030, and to reach economy wide carbon neutrality. It builds on New York's unprecedented investments to ramp-up clean energy including over \$33 billion in 102 large-scale renewable and transmission projects across the state, \$6.8 billion to reduce buildings emissions, \$1.8 billion to scale up solar, more than \$1 billion for clean transportation initiatives, and over \$1.6 billion in NY Green Bank commitments. Combined, these investments are supporting nearly 158,000 jobs in New York's clean energy sector in 2020, a 2,100 percent growth in the distributed solar sector since 2011 and a commitment to develop 9,000 megawatts of offshore wind by 2035. Under the Climate Act, New York will build on this progress and reduce greenhouse gas emissions by 85 percent from 1990 levels by 2050. The Climate Act will ensure that at least 35 percent, with a goal of 40 percent, of the benefits of clean energy investments are directed to disadvantaged communities, and advance progress towards the state's 2025 energy efficiency target of reducing on-site energy consumption by 185 trillion BTUs of end-use energy savings.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 14-M-0094 or 18-M-0084 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.